



Australian Government
Department of Foreign Affairs and Trade

**Australian
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REVIEW REPORT

March 2022

AUSTRALIA-PNG GOVERNMENT TRANSPORT PARTNERSHIP

Executive Summary

Introduction

The Department of Foreign Affairs and Trade (DFAT) contracted Tetra Tech International Development (Tetra Tech) to undertake an independent review of the Australia-PNG Government Transport Partnership (the Partnership). The Review was conducted from October 2021 to February 2022. This Report presents the Review findings and recommendations for future directions of the Partnership.

Background and context

The Australian Government has a long history of providing support and fostering partnerships in the transport sector. DFAT provides support to the transport sector in Papua New Guinea (PNG) through the following transport partnerships:

- » Memorandum of Understanding (MoU)

The MoU is determined and signed off between the Secretary for the Department of Transport (DoT) in PNG and the Secretary for the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) in Australia. The MoU aims to encourage cooperation between the different parties involved in the safety and security of transport networks including air, maritime and roads. It also aims to develop and maintain relations between transport agencies, relevant industry parties and other organisations concerned with the safety and security of the transport network. The MoU was revised and signed in late 2021.

- » Institutional Partnerships Program (IPP)

Established in 2017, the IPP funded an Infrastructure Adviser from DITRDC deployed to PNG's DoT as a Senior Policy Advisor. Through this deployment, The IPP provided an avenue for technical support and cooperation between counterpart transport agencies in Australia and PNG. The 2020 Review of the IPP recommended the transfer of the Infrastructure Adviser from IPP to the bilateral sector program - the Transport Sector Support Program (TSSP) by mid-2022.

- » Transport Sector Support Program (TSSP)

TSSP is the bilateral transport sector program between Australia and PNG. Through TSSP, the Australian Government is providing more than \$600 million over nine years to support the Government of PNG (GoPNG) to achieve a well-maintained transport infrastructure network. TSSP2, the second phase of the program, is currently implemented by GHD. It commenced in 2014

and was completed in April 2022. Following an open tender process, TSSP2 was extended to October 2023 while TSSP Phase 3 is designed. A separate review of TSSP2 was conducted simultaneously by Tetra Tech to inform the next phase of the program, TSSP3.

- » Agency Support Arrangements (ASAs)

The ASAs are signed between DFAT and GoPNG transport agencies. The MoU provides the ground for ASAs that are determined and agreed upon between heads of specific agencies operating within the transport sector in Australia and PNG. The ASAs identify specific activities or areas of support that will be provided mainly by the Australian agency to its counterpart agency in PNG. There are currently active ASAs between DFAT and five GoPNG transport agencies.

Since 2019, there have been further investments in the transport sector through the Australian Infrastructure Financing Facility for the Pacific (AIFFP). These investments are not currently formalised as part of the Transport Partnership, but the link between TSSP and the AIFFP will be further explored through the TSSP3 design.

Review purpose and scope

The purpose of the Review was to gather evidence and lessons learned to further improve the Australian-PNG Transport Partnership and to support the provision of appropriate support to the transport sector in PNG.

This Review:

- » Focused on the four partnership arrangements (MoU, IPP, TSSP and the ASAs). As such, the Review's findings and recommendations did not consider the AIFFP's engagement with GoPNG.
- » Focused on how the Partnership is working in practice and areas of the Partnership that have worked well, while also considering areas that could be strengthened or improved.
- » Undertook high-level analysis of the Partnership arrangements to provide insights into the efficiency of governance arrangements, funding modalities, reporting mechanisms and capacity development approaches.
- » Focused on assessing the GoPNG transport agencies as a whole and did not focus on individual counterpart agencies' arrangements and collaboration.

Key evaluation questions and objectives

The Review was guided by the following key evaluation questions (KEQ) adopted from the Review's Terms of Reference and organised under three objectives:

Objective 1: Assessing current partnership arrangements.

To examine the different types of transport sector partnerships and provide evidence on what partnerships have worked well and the reasons why.

- » KEQ 1: What current areas of the partnership are working well?
- » KEQ 2: What current areas of the partnership can be improved?
- » KEQ 3: How can the transport partnership be made more efficient and effective with some elements transferred from the IPP to TSSP program?

Objective 2: Assessing current partnership program activities.

To examine if the current partnerships are well resourced and how they can be better resourced into the future.

- » KEQ 4: Are existing arrangements and activities well supported and appropriately resourced by Australian and PNG agencies?
- » KEQ 5: Do existing partnership activities under the relevant programs have clearly defined outcomes, objectives, outputs?

Objective 3: Considerations for the future. This considers potential arrangements in which Australian and PNG transport agencies and other parties can appropriately support the transport partnership in areas they have the most impact.

- » KEQ 6: How can the transport partnership be made more efficient and effective with some elements transferred from the IPP to TSSP program?
- » KEQ 7: What are the appropriate future roles for DFAT, DITRDC, Australian and PNG transport agencies and other parties in supporting the Australian-PNG Transport partnership?
- » KEQ 8: What priorities should be set for the partnership from 2022 having regard to available resources i.e., are there transport areas and activities that should be given a higher or lower priority particularly with regard to the ongoing impacts of COVID-19 and PNG's broader economic recovery?

Summary of findings

Overall, transport agencies in PNG and Australia felt positively about the partnerships and collaboration between the Australian and GoPNG agencies. PNG transport agencies and specifically the DoT found the overarching transport MoU between Australia and PNG relevant and beneficial to the department and the PNG transport sector agencies more broadly. The ASAs implemented as part of the Annexes of the MoU were reported to be important in building technical knowledge, skills and attitudes for the different transport sector agencies.

The capacity strengthening elements of the Partnership delivered through capacity supplementation, training, workplace technical modelling, collaborative job sharing, twinning arrangements, mentoring, and coaching is reported to be working well with stakeholders from Australia and PNG reporting that technical skills-building and workplace support is the cornerstone of the Transport Sector Partnership. Even though the capacity strengthening elements of the Partnership are working well, sustainability of the outcomes remains a challenge. There is room to enhance the sustainability of the outcomes through implementing a GoPNG demand-driven capacity development approach, enhancing shared accountability, facilitating senior leadership active engagement, and shifting away from an international adviser centric model to a locally led, agencies-owned technical support.

The GoPNG transport sector agencies consulted reported that the flexibility, openness and adaptive management processes and the willingness to listen to the needs and priorities of the PNG transport agencies by their Australian counterparts have improved over time with opportunities to further embed agency-wide structures and mechanisms that support good relationships. Though good relationships seem to be a factor of individual efforts and not the efforts of the individual agencies and departments as a whole, this could be strengthened by a strong commitment from each of the partners in the Partnership reflected in the fact that all partner organisations are equally present and, where possible, represented by experienced persons who have influence within their organisations.

Stakeholders consulted from DFAT and GoPNG noted that the technical support provided by infrastructure advisors under the IPP and TSSP is only effective if provided on-site and in-country and not remotely. COVID-19 travel restrictions have undermined partnerships and collaborations between agencies in the two countries and provide an opportunity to reshape what capacity building and technical support for the transport agencies looks like. As the COVID-19 travel restrictions ease, TSSP2 and the IPP advisors should be facilitated to be on the ground

quickly to support agencies in real-time, which is what stakeholders in Australia and PNG want.

For the GoPNG side, there was a reported lack of a clear understanding of the overall objectives, strategic intentions, and common vision of the Partnership from Australia. This is made more challenging because of the absence of a comprehensive Australian Transport Sector Strategy for PNG. Because of this, it remains challenging for GoPNG agencies to articulate the objectives of the transport partnerships from Australia's side. Though the Partnership is underpinned by the MoU, TSSP, AIFFP and the IPP, a Strategy that brings all these components together was reported to be due and necessary.

At the inter-agency level, various stakeholder reports indicate that the ASAs' implementation and reporting are disjointed and burdensome. Most agencies noted that the reporting and implementation efforts required for ASAs do not match the budgets allocated to them, but also that the reimbursable approval process and the activities liable for reimbursements within the ASAs are difficult. There are opportunities for DFAT to simplify and streamline the ASAs by shifting to a Tasking Note implementation arrangement.

GoPNG agencies propose a review of the existing ASA funding arrangement, including alternative options to the current reimbursable model, which can in some instances present budget constraints when having to fund activities up front.

The recommendation from the 2020 Review of the IPP to transfer the DITRDC Infrastructure advisors from the IPP to the broader bilateral sector program, TSSP, by mid-2022 is welcome. Though, it was recommended that the reporting lines need to be well articulated. Since the advisor will be deployed from DITRDC, it is envisaged that the advisor will report both to DITRDC and DFAT. In terms of program support, the advisor will work closely with TSSP2 managing contractor, GHD, and continue to offer transport infrastructure policy advice and support.

Other than supporting TSSP2 and coordinating Australian transport agencies' support in collaboration with DFAT, some stakeholders from DoT noted that the advisor should continue providing technical assistance and advice to the Secretary of DoT on a range of issues. A key area noted by the DoT was that the advisor could provide technical assistance for supporting DoT's regional aspirations on enhancing transport regional coordination, collaboration and knowledge sharing in the Pacific.

Summary of recommendations

The findings of this Review informed the following recommendations for DFAT, DITRDC, TSSP and the GoPNG transport sector agencies:

Recommendation 1: That Australia (via DFAT and DITRDC) through a consultative process with GoPNG develop a comprehensive strategy for Australian assistance to PNG's transport sector. The strategy should articulate the objectives of the investments in the transport sector, the rationale of different support mechanisms across the different modes of transport, and the balance between investments in physical assets, institutional support, and capacity development. The strategy should also show the connections and alignment with 'Connect PNG', the current GoPNG policy that aims to rebuild the country's road infrastructure on a 20-year program.

Recommendation 2: That DFAT, DITRDC and GoPNG clearly articulate, communicate, and socialise the current Partnership objectives beyond the senior levels of the GoPNG transport agencies. This is an opportunity to have a common shared understanding and appreciation of the partnerships across the sector, properly align initiatives, develop better and joint agreeable initiatives and position the Partnership as the foundation of Australia and GoPNG bilateral engagements within the transport sector.

Recommendation 3: That DFAT simplifies and streamlines ASAs by shifting to a Tasking Note implementation arrangement upon renewal of the current ASAs. This will support more agile and flexible implementation processes and provide room for revisions of activities as scope and context change.

Recommendation 4: That DFAT reduces the scope for progress reporting of the ASAs from quarterly reports to bi-annual reports to lessen the reporting burden on stretched GoPNG agencies and TSSP2. The 6-monthly reports should track implementation progress. By reducing some of the reporting requirements, agencies can focus on implementing their activities to minimise underspends.

Recommendation 5: That both DFAT and GoPNG agencies strengthen outcomes and results reporting frameworks to enhance measuring progress beyond activities implemented. Results frameworks and approaches could be embedded within individual ASAs / Tasking Notes or can be part of the overarching Partnership framework that measures different partnership arrangements between Australia and PNG as a whole. This is an opportunity to evidence outcomes achieved and enhance the visibility of the gains made by the Partnerships.

Recommendation 6: For future capacity development efforts within the Partnership, the TSSP2 Capacity Development Framework provides a blueprint for engagement. An analysis of agency implementation status of the capacity development activities outlined in the Framework that needs further support is a good start on how to build and sustain capabilities within the transport sector in PNG.

Recommendation 7: The recommendation from the 2020 Review of the IPP to transfer the DITRDC Infrastructure advisors from the IPP to bilateral sector program, TSSP, by mid-2022 is welcome, noting there will need to be clear funding and reporting lines. It is envisaged that the advisor will report to both DFAT and DITRDC. DFAT and DITRDC should therefore collaborate on defining and shaping the function and scope of the role (in consultation with DoT and TSSP2) to enhance clarity of mandates and improved and informed collaboration. Overall, the advisor should retain their DITRDC scope of work but collaborate with DFAT under TSSP, and support program implementation of TSSP2 through closer working relationships with the managing contractor.

Recommendation 8: That DFAT and DITRDC in defining and shaping the scope and mandate of the IPP technical advisors moving to the bilateral sector program, TSSP, should explore other roles that the advisor could undertake beyond infrastructure policy advice in PNG. For instance, the advisor could also act as an intermediary between Australian and the GoPNG transport agencies and provide coordination support for the Partnership. Also, the advisor could support DFAT with developing the Australia-PNG transport sector strategy and provide technical assistance to DoT in relation to its regional aspirations on enhancing transport coordination, collaboration and knowledge sharing in the Pacific.

Recommendation 9: As COVID-19 travel restrictions ease, DFAT, DITRDC, TSSP2 and other Australian counterpart agencies should prioritise having advisors on the ground to support GoPNG agencies in-country to help ensure effective partnerships and progress in line with agreed outcomes and objectives. Further, the short-term work exchanges and placements where GoPNG agencies visit and work on a short-term basis with their counterpart agencies in Australia should also be prioritised.

Recommendation 10: That DFAT, DITRDC and GoPNG counterpart agencies further embed structures and mechanisms that facilitate good whole of agency relationships building and management. This could be enhanced through senior leadership commitment as well as clear articulation of the roles and responsibilities within the partnerships and a common vision of how the partnerships should work in practice.

Recommendation 11: The ASAs funding model is reviewed upon renewal to address the challenges associated with GoPNG transport agencies pre-financing activities with constrained budgets.

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List of Acronyms

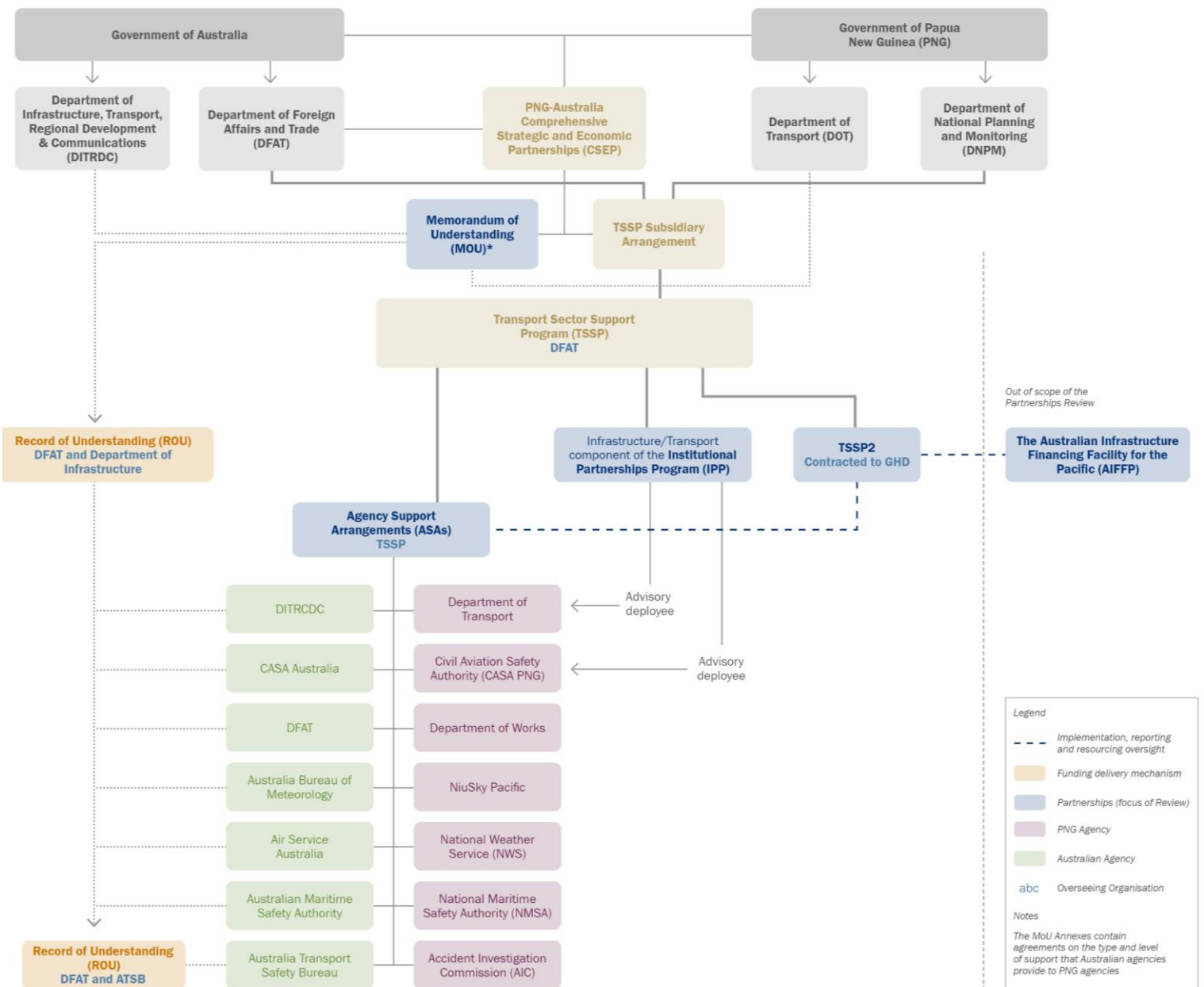
ACD	Agency Capacity Diagnostics
ADB	Asian Development Bank
AHC	Australian High Commission
AIC	Accident Investigation Commission
AIFFP	Australian Infrastructure Financing Facility for the Pacific
ASAs	Agency Support Arrangements
CASA PNG	Civil Aviation Safety Authority
CRP	COVID-19 Development Response Plan
DITRDC	Department of Infrastructure, Transport, Regional Development and Communications
DFAT	Department of Foreign Affairs and Trade
DoT	Department of Transport
DoW	Department of Works
ECP	Enhanced Cooperation Partnership
EOPO	End of Program Outcomes
FIFO	Fly-in-fly-out
GoPNG	Government of Papua New Guinea
IPP	Institutional Partnerships Program
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
MoG	Machinery of Government
NMSA	National Maritime Safety Authority
NSPL	NiuSky Pacific Limited
PNG	Papua New Guinea
RoU	Record of Understanding
SGP	Strongim Gavman Program
Tetra Tech	Tetra Tech International Development Pty Ltd
TSCMIC	Transport Sector Coordination, Monitoring and Implementation Committee
TSSP2	Australia Transport Sector Support Program Phase 2

Chapter 1: Overview of the Australia-PNG Government Transport Partnership

The Australian Government provides support to the transport sector in Papua New Guinea (PNG) through several partnership arrangements. This chapter provides a summary of the different partnership arrangements, their objectives, the agencies involved, key partnership structures and the support modalities and delivery mechanisms.

1.1 Types of partnerships

The Review identified five key types of partnerships under the Australia-PNG Government Transport Partnership (the Partnership). The diagram below shows these key partnerships and the relationships between them.



1. Memorandum of Understanding (MoU)

The MoU is determined and signed off between the Secretary for the Department of Transport (DoT) in PNG and the Secretary for the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) in Australia. Executed in 2015 and revised in 2021, this agreement provides the general understanding, intent, agreement, and preliminary plans on the transport sector between the two countries.

The MoU aims to encourage cooperation between the different parties involved in the safety and security of transport networks including air, maritime and roads. It also aims to develop and maintain relations between transport agencies, relevant industry parties and other organisations concerned with the safety and security of the transport network.

The MoU's focus on cooperation covers:

- » Civil aviation with both domestic and international requirements
- » Sea or maritime with both domestic and international requirements
- » Land transport
- » Other sectors that impact or relate to transport safety, security, and investigation, such as meteorological services and transport accident investigation.

2. Agency Support Arrangements (ASAs)

The ASAs are signed between DFAT and Government of PNG (GoPNG) transport agencies. Through the ASAs, DFAT uses its integrated transport program (incorporating TSSP2, the transport component of the IPP and the transport MoU) to deliver and coordinate the Australian Government assistance in the transport sector in PNG under the oversight of Transport Sector Coordination, Monitoring and Implementation Committee (TSCMIC). Activities implemented under the ASAs are determined and agreed upon between specific agencies operating within the transport sector in Australia and PNG. There are currently active ASAs between DFAT and the following departments:

- » Department of Works (DoW)
- » Department of Transport (DoT)
- » PNG Civil Aviation Safety Authority (CASA PNG)
- » NiuSky Pacific Ltd (formerly PNG Air Services Ltd)
- » National Maritime Safety Authority (NMSA).

An additional ASA with the Accident Investigation Commission (AIC) had not been renewed by the time of this Review.

Below is a summary of ASAs between DFAT and the GoPNG agencies and their counterpart agencies in Australia:

DFAT	GoPNG Transport Agencies with ASAs	Counterpart Australian Government Transport Agencies
	Department of Transport (DoT)	Department of Infrastructure, Transport, Regional Development, and Communication (DITRDC)
DFAT	PNG Civil Aviation Safety Authority (CASA PNG)	CASA Australia
	NiuSky Pacific Limited (NSPL)	Air Service Australia
	Accident Investigation Commission (AIC)	Australia Transport Safety Bureau (ATSB)
	National Weather Service (NWS)	Australia Bureau of Meteorology

Through the ASAs, the GoPNG agencies implement the agreed activities and are reimbursed by DFAT. While stakeholders affirm that strong leadership is key to the success of the ASA arrangements, across the Partnership program there is an understanding that the ASA arrangements were not considered to be fit for purpose, as the governance framework – initially designed to be management-intensive to encourage local ownership – has instead proved onerous.

Senior officials within GoPNG commented that while the ASAs are working well and would like these partnerships to continue, they could be improved by broadening their scope to respond to emerging priorities in PNG. This presents an opportunity for DFAT to support the revision of the agency capacity diagnostics (ACD). The ACD conducted in 2015 (see page 18) was an objective assessment of the DoT's agencies capacity to deliver transport mandated responsibilities. The Australian Government used ACD findings to support the preparation of ASAs with DoT for implementation under the TSSP2. The revision of the ACD should happen in tandem with undertaking a political economy analysis to improve understanding of changes in the PNG context and operating environment,¹ and utilise the analysis to inform programming and decision-making.

¹ Brinkerhoff, D.W., Frazer, S. and McGregor, L. (2018) Adapting to Learn and Learning to Adapt: Practical Insights from International

3. Institutional Partnership Program (IPP)

Established in 2017, the IPP provides an avenue for technical support to be provided to transport sector agencies between counterpart agencies. The total budget for IPP (the overall Program) of AUD63 million funds 12 Australian agencies across all participating countries between 2017 to 2020. In PNG, this program is well received and had been provided to PNG in previous times as the Enhanced Cooperation Partnership (ECP) and the Strongim Gavman Program (SGP).

Under this program, senior public servants in the Australian Public Service are assigned to work in counterpart agencies in the PNG Public Service. This program is coordinated by the Department of Prime Minister and National Executive Council in PNG. Due to a variety of factors, including the impacts of COVID-19 and the findings of the IPP review, the deployment of advisors in government agencies in PNG was impacted. However, the twinning arrangements where public servants in PNG undertake specific work assignments and training within the counterpart agencies in Australia is in operation. For example, officers from the Department of Prime Minister and NEC, PNG have previously undertaken work assignments and training in the Department of Prime Minister and Cabinet in Canberra Australia.

Under the IPP, the transport sector currently has one deployee in the form of a senior Australian personnel from (DITRDC) who is seconded to the DoT as the Senior Policy Advisor (currently not in PNG). Another senior personnel from CASA Australia was previously deployed as an advisor in CASA PNG through IPP, noting the CASA IPP arrangement has since discontinued.

The IPP 2020 review recommended that IPP ceases funding DITRDC infrastructure advisors by mid-2022 and proposed a transfer of the positions to the TSSP. It is envisaged that the DITRDC infrastructure advisors will be funded through TSSP (see page 3 and page 16).

4. Transport Sector Support Program Phase 2 (TSSP2)

TSSP is the bilateral transport sector program between Australia and PNG. TSSP is providing more than AUD600 million over nine years to support the GoPNG to achieve a well-maintained transport infrastructure network. Australia's investment in PNG's transport sector reflects the importance of transport infrastructure, such as roads, ports, and airports, in facilitating the efficient, safe, and secure movement of goods to market, the provision of essential goods and services, and community connectivity. This investment in PNG's transport infrastructure is a key enabler of economic growth and is the largest component of Australia's aid investment in PNG. TSSP2, which is the second phase of the program, is currently managed by

GHD commenced in 2014 and was completed in April 2022. Following an open tender process, TSSP2 was extended to October 2023 while TSSP Phase 3 is designed.

For the Partnership, TSSP provides funding, implementation oversight and reporting coordination for all the ASAs. For instance, the Senior Policy Advisor from DITRDC under the IPP works closely with the TSSP2 managed by GHD to support the implementation of some ASAs activities, but also in providing technical assistance to the transport sector agencies through support to DoT. In terms of reporting, TSSP coordinates quarterly reporting for the ASAs and submits progress reports to DFAT. And more broadly, TSSP is used to operationalise the MoU agreements for the transport sector in PNG.

5. Australian Infrastructure Financing Facility for the Pacific (AIFFP)

AIFFP is an AUD2 billion initiative that uses loans (up to a cap of AUD1.5 billion) and grants (AUD500 million of Official Development Assistance) to support quality infrastructure in Pacific Island Countries and Timor-Leste, including but not limited to telecommunications, energy, transport, and water infrastructure. In PNG, TSSP2 has been working with AIFFP since 2019, leveraging TSSP2 local knowledge in pursuit of infrastructure opportunities that broaden DFAT's investment portfolio in transport infrastructure (beyond the maintenance of road infrastructure). Though relatively new, AIFFP and TSSP2 will shape DFAT's investment in PNG more broadly and boost investments in transport infrastructure beyond roads.

It should be noted that AIFFP does not fall formally under the Transport Partnership, though the Review team recognises its immense investments will contribute to the transport sector in PNG now and in the future. As it is relatively new and most investments are in the preparatory phase, this report findings and recommendations do not consider AIFFP partnership arrangements as part of the scope of this review. Therefore, findings do not reflect AIFFP partnership in PNG at present.

This report is structured by the proposed key evaluation questions (KEQs) which were grouped and guided both the analysis and structure of the Report. In each Chapter, the relevant key findings, conclusions, and recommendations are provided with a conclusions chapter at the end.

Chapter 2: The Australia-PNG Government Transport Partnership in Practice

2.1 Key findings

Stakeholders consulted provided varying insights on how the Partnership has worked in practice. This chapter presents key findings on areas of the Partnership that have worked well, elements of the Partnership that can be improved, and whether the different partnership arrangements are adequately resourced to meet their objectives. The chapter ends by looking at whether the partnership arrangements have clearly articulated outcomes and if mechanisms are in place to measure and report on the results achieved. This chapter does not focus on reporting the achievement of expected outcomes of the different partnership arrangements as this was not within the scope of the Review. However, examples of outcomes achieved are used in some instances to provide evidence of the findings made about elements within the Partnership that have worked well or elements that need further improvement.

KEQ 1: What current areas of the Partnership are working well?

Overall, transport agencies in PNG and Australia felt positively about the partnerships and collaboration, though challenges were reported in relation to how the partnerships are governed and implemented.

Transport agencies in PNG noted the important role that agencies in Australia play in building their skills and technical knowledge. Most noted that without the support, they would struggle to implement and fulfil their obligations. For instance, agencies in maritime and aviation did reveal a well-established working relationship between partner agencies with shared work plans to enhance the safety and security of maritime and aviation sectors.

PNG transport agencies and specifically the DoT found the overarching transport MoU between Australia and PNG relevant and beneficial to the department and the PNG transport sector agencies more broadly. The ASAs implemented as part of the Annexes of the MoU agreement were reported to be important in building technical knowledge, skills, and attitudes for the different *transport* sector agencies and in enhancing collaborations, partnerships, knowledge sharing and real-time support to agencies in times of need.

Transport agencies noted instances where the ASAs have been beneficial. For instance:

- » the DoT noted the beneficial support implemented via the ASA that saw the Australian Transport Safety Bureau's (ATSB) coordinated response to the Madang plane crash in PNG in October 2011; based on their findings all Dash 8 planes are now re-fitted with the specific instrument to prevent such accidents from happening again.
- » the National Maritime Safety Authority (NMSA) sought technical support from the Australian Maritime Safety Authority (AMSA) to conduct a search and rescue mission of a missing banana boat that was transporting a Bougainville Minister and was lost at sea. Consulted stakeholders from NMSA noted that they would not have been able to respond as quickly as they did without the support of the AMSA due to limited technical expertise within the agency to conduct extensive search and rescue.
- » the CASA PNG stakeholders reported that the MoU and the ASAs activities are important and is supporting the achievement of their outcomes and aviation safety mandate. Within the MoU, CASA PNG has benefited through six programs currently running that include: Aviation Safety Conference; Regional Engagement; Aviation Security; Instrument Procedure Design; Corporate Mentoring; and Aviation Safety Collaboration.

Other than the three examples mentioned above, the Review found more examples of collaboration between GoPNG agencies and their counterparts in Australia, which speak to the important role of the partnership. Specifically, the collaboration is supporting the transport agencies to implement their corporate plans but also to support the DoT in implementing its transport-sector wide strategy that contributes to PNG's vision for the transport sector and ultimately the development agenda as articulated in the PNG Vision 2050.²

The capacity strengthening elements of the IPP and the ASAs delivered through capacity supplementation, training, workplace technical modelling, collaborative job sharing, twinning arrangements, mentoring, and coaching is reported to be working well. There was consensus in the reports from stakeholders interviewed from the governments of Australia and PNG that technical skills-building and workplace support are the cornerstone of the transport sector partnerships. Technical advisors provided through the

² PAPUA NEW GUINEA VISION 2050 found at https://www.treasury.gov.pg/html/publications/files/pub_files/2011/2011.png.vision.2050.pdf

IPP that support transport agencies implement ASAs activities, and the technical advice and support provided through the TSSP2, seem to be working well. For instance, the engagement and work between the ATSB and AIC in PNG, funded by TSSP and facilitated by the MOU, is successful due to strong relationships and long-standing engagements.

Even though the capacity strengthening elements are reported to be working well, sustainability of the outcomes remains a challenge (see KEQ on page 8).

The TSSP2 Capacity Development Framework (2020-2022) provides parameters of capacity strengthening within the transport sector in PNG. From the Framework, the capacity building definition has been broadened to factor in sustainability and defined as “a process through which individuals and organisations enhance, strengthen and maintain their capabilities to set and achieve their development objectives over time in response to the evolving operating environment”. The Framework also provides transport sector-wide capacity development outcomes and activities that the transport agencies need to implement to enhance and sustain capacities within their agencies. From analysis, most agencies such as CASA, NiuSky Pacific Limited, DoT and NMSA have articulated ASAs capacity development activities from 2022-2022 that need financial support from either the MoU, IPP, TSSP or DITRDC. There are varying degrees of implementation status across the activities, with very few completed ones, while most of them report to be ongoing or yet to start. For future capacity development efforts within the Partnership, the TSSP2 Capacity Development Framework provides a blueprint of engagement. For this to happen, first a skills gap analysis of agency implementation status of the capacity development activities (outlined in the Framework) needs to be conducted. This would provide evidence of areas and skills that require further strengthening.

The GoPNG transport sector agencies consulted noted that the flexibility, openness and adaptive management processes and the willingness to listen to the needs and priorities of the PNG transport agencies by their Australian counterparts have improved over time, with opportunities to further embed agency-wide structures and mechanisms that support good relationships. For instance, CASA PNG through the technical support of TSSP2 implemented through the ASAs has improved over the years. Stakeholders consulted report that despite initial misunderstanding, the last three years (2019-2021) have seen an improvement in the relationship where the partners

reported that they understand each other well now and which has made implementation progress much quicker.

From the interviews, the Review team was not able to ascertain the exact factors or mechanisms that have led to improvements of relationships over time other than stakeholders’ anecdotal evidence that it has improved over time. However, some consulted stakeholders in the TSSP, DFAT and some GoPNG agencies noted that some improvements in relationships could be attributed to individuals within the agencies and departments and not the efforts of the individual agencies and departments as a whole.

Though, while enhancing partnerships through individual efforts is good practice and beneficial, evidence shows that this is not enough for sustaining agency-wide and sector-wide relationships. As a start, literature notes that managing a partnership is a very delicate operation requiring individuals who can understand and work with different organisations and their requests but over time, as the mandate expands and the partnerships become rooted, it becomes more important to have an agreed management structure provided by agencies or organisations.³ There are, therefore, opportunities for the Partnership counterpart agencies to further embed structures and mechanisms that facilitate good relationships. This could be strengthened by a strong commitment from each of the partners reflected in the fact that all partner organisations are equally present and, where possible, represented by experienced persons who have influence within their organisation or where a “learning culture” is fostered, i.e., one where all partners can learn from one another by allowing new ideas to come forward in an open exchange of experiences. However, it should be noted that partnerships’ success depends heavily on the operating context and environments, which play a key role on how the above mechanisms and actors interact and collaborate.

KEQ 2: What current areas of the partnerships can be improved?

Some consulted stakeholders from the GoPNG agencies reported a lack of clear understanding of the overall objectives, strategic intentions, and common vision of the Partnership, noting that there is scope for DFAT and DITRDC to clearly articulate, communicate and socialise the Partnership objectives beyond the senior levels of the GoPNG. Though some consulted stakeholders within the GoPNG reported understanding individual partnerships such as the IPP

³ Successful Partnerships- A Guide by the OECD, 2006 found at <https://www.oecd.org/cfe/leed/36279186.pdf> and accessed January 22nd2022

and support through ASAs funded by the TSSP2 and DITRDC, there was a lack of understanding on the objectives of the Partnership across the GoPNG agencies. Literature on good and effective partnerships notes certain characteristics that make partnerships successful. The key characteristics of a good partnership include⁴:

- » Senior leaders demonstrating a strong commitment to the partnership
- » The partnership specifies clear responsibilities, rights, and obligations of all partners
- » Partners have a shared understanding of the problem and a common vision for how the partnership will generate impact
- » The objectives of the partnership are aligned with the core values of partnership members
- » Partnership processes and procedures are established and agreed to by all partners. This can include ground rules, decision-making processes, shared expectations, and vertical and horizontal accountability structures
- » Principles of mutuality and cooperation are valued. This includes mutual dependence among organizations, collaborative engagement of all partners from the onset, shared ownership, and mutual respect
- » Contributions of all partners are seen as fair and equitable, including financial and non-financial resources. The organisation should bring unique contributions to the partnership, including resources, skills, relationships, and experience.

Though certain characteristics such as strong leadership commitment to the partnerships, clearly articulated roles and obligation of partners, and values of mutuality and cooperation were noted to be present within some partnership's arrangements, there were other characteristics that appeared to be lacking at least from most GoPNG transport agencies, such as a shared understanding and common vision of the Partnership, and agreement of the partnerships processes.

There is merit and scope for DFAT and DITRDC to socialise the different partnerships arrangements across the GoPNG transport agencies to help ensure that the Partnership is based on a shared understanding and common vision. Since the Partnership enjoys broad and positive support from

stakeholders from both sides of the Partnership, the efforts to socialise it within the different agencies in PNG should not be too onerous. For example, through regular high-level meetings or through for a such as the Transport Sector Coordination, Monitoring and Implementation Committee (TSCMIC).

At the inter-agency level, various stakeholder reports indicate that the ASAs implementation and reporting are disjointed and burdensome. Stakeholders on both sides also commented that reporting systems used for annual planning for each agency are cumbersome, excessively bureaucratic, and inflexible. ASAs were initially designed to encourage internal management system processes within GoPNG agencies that were to enable them to take over the processes themselves (through a capacity strengthening approach). Most agencies noted that the reporting and implementation efforts required for ASAs do not match the budgets allocated to them. Almost all consulted stakeholders noted that most ASAs are of low value and their implementation and reporting requirements waste time, do not factor in agencies' human resources capacities, and are geared toward DFAT's accountability requirements instead of good project management practices for the agencies.

Another challenge noted by the GoPNG agencies was the reimbursable approval process for activities requiring reimbursements within the ASAs. All activities under the ASAs should be agreed on and approved in advance of any spending or implementation. Reimbursement approvals undergo a lengthy process; expenditure is first approved by the counterpart agency in Australia, then DITRDC, then TSSP and then finally to DFAT for final approval. Several GoPNG agencies reflected activities they deemed were reimbursable under the ASAs were not approved by DFAT. Because of this, some agencies reported that at times they have ended up funding three-quarters of the project activities which has led to some agencies questioning the value of the ASAs. For the ASAs to be effective, GoPNG stakeholders expressed their need to better understand why expenses incurred were not reimbursable, but more so for additional clarity to minimise this challenge occurring in future.

Meanwhile, DFAT stakeholders consulted clarified the ASA planning and funding process. DFAT noted that reimbursable activities are based on a certain key criterion, that proposed activities are aligned to GoPNG sector plans and priorities, and that procurement meets the Commonwealth procurement rules during implementation. DFAT stakeholders also noted that reimbursable activities are agreed upon annually before they get implemented. The confusion on reimbursable

⁴ Approaches To Partnership Measurement found at <https://www.oecd.org/cfe/leed/36279186.pdf> accessed on 20th January 2022

activities could be a factor of poor communication and lack of agility in revising agreed ASAs annual activities. For instance, if there is a change in scope and context that limits the implementation of a certain ASA activity, there should be room for revision of the activity between the agency, TSSP2 and DFAT.

There are opportunities for DFAT to simplify and streamline ASAs by shifting to a tasking note implementation arrangement. Several stakeholders consulted were supportive of replacing ASAs with a more flexible tasking note arrangement. The agencies' activities that are included within tasking notes will need to be agreed upon with GoPNG agencies. This change in direction would seem to work well provided TSSP2 still maintains oversight of the tasking notes' activities to ensure they align with TSSP2's overarching program objectives.

Of concern to agencies, both in Australia and PNG is the short-term nature or lack of a long-term and sustainable capacity development approach. The support provided though useful seems short, sporadic, unclear and in some cases inconsistent. Many agencies are of the view that there should be a long-term approach to capacity strengthening within the transport MoU partnership in the technical areas, coupled with twinning arrangements and technical advisors to provide all-around support to the agencies. Technical advisors within programs and those seconded from Australia should be based at the PNG agencies to build the relationships required to meaningfully engage and work in PNG.

As discussed in this chapter under KEQ 1 above, the TSSP2 Capacity Development Framework (2020-2022) alludes to this concern by reinforcing that a "systemic approach to the development of sustained capacity, owned and actioned by the agencies is yet to be realized". The Framework provides options of capacity development initiatives across transport agencies factoring in the sustainability of the initiatives in the future. Stakeholders consulted noted that the sustainability of agencies' capacities continues to be undermined by high staff turnover and budget uncertainties within the GoPNG to fund some of the transport sector activities as part of the national budget. Some of the options provided to enhance sustainability of the capacity development approaches include:

- » That a GoPNG agencies' demand-driven approach that considers barriers to effective service delivery alongside technical upskilling to ensure impact and sustainability is considered for the Partnership. Demand driven approach will help to ensure that initiatives supported are the ones

that the agencies need and find useful. This will enhance ownership and hence likely to be sustainable in the long run.

- » Capacity development approaches should consider shared accountability, active leadership, and the whole of government approach. This will facilitate co-learning and sharing and increase the ability of the initiatives to be resourced because of buy-in of the senior leadership.
- » Also, the modalities of capacity development support should shift from an international adviser centric focus and allow agencies to define the capacity that they need, but also take part in the development and revision of the advisors' terms of reference and work plans to fully understand the advisers' scope of work as a resource to their agency. This will help the right people to be matched with the right skills necessary for better learning and sustainability.

Some of these modalities of engagement are already being implemented by TSSP2 with scope for expansion and adaptation to all agencies within the transport sector.

Brand recognition between TSSP as a bilateral transport sector program and TSSP2 as the second phase of the program managed by GHD is extremely confusing for many stakeholders, with a call for better communication to understand the difference and objectives of each. TSSP as a bilateral sector program is delivered through three mechanisms: i) a managing contractor (GHD); ii) the Institutional Partnerships Program; and iii) a Transport MoU between PNG's DoT and the Australian Government's DITRDC. The bulk of TSSP2, the second phase of TSSP, is implemented and managed by GHD. The confusion relating to branding likely lies in the fact that the Contract between DFAT and GHD is called TSSP2, which is also the second phase of the broader bilateral sector program.

While this suggests a need to improve brand recognition among PNG counterparts, evidence is mixed on the benefits of branding for donor agencies and governments, particularly for infrastructure projects.⁵ Measures should be taken to clarify the different partnerships while also encouraging domestic support for and local ownership in transport sector infrastructure.

⁵ The Case Against Branding Development Aid in Fragile States (2018) Center for Global Development. Available at:

<https://www.cgdev.org/blog/case-against-branding-development-aid-fragile-states> (Accessed: 21st January 2022).

KEQ 3: Are existing arrangements and activities well supported and appropriately resourced by Australian and PNG agencies?

GoPNG agencies propose a review of the existing ASA funding arrangement, including alternative options to the current reimbursable model, which can in some instances present budget constraints when having to fund activities up front. The ASAs reimbursable model replaced funding through a Trust Fund account that the Australian government used during the AusAID era. The current model where agencies are expected to fund agreed upon activities and be reimbursed later was reported by stakeholders within the GoPNG agencies as a constraint to effective and timely implementation of activities.

While the Review did not obtain consensus from the different agencies on what the proposed funding model should look like, some stakeholders provided options. The first option proposed was going back to the Trust Fund model where DFAT channels funds to an account that is then used with oversight of the TSSP2 to implement the activities. The second option proposed was that funding for the activities is channelled through TSSP2. TSSP2 will then provide oversight and allocate funding to agencies as per agreed work plans. This provides preceding funding for activities but does not sit within GoPNG agencies but with TSSP and is implemented through a Tasking Note approach.

Some inter-agency governance arrangements were a challenge and could be resolved by clear reporting lines in the future. This challenge was noted between the Infrastructure IPP advisors and TSSP where reporting lines were not clear on who reports to who. This was complicated because in a sense the technical advisors under the IPP are senior Australian government employees who had reporting lines to the TSSP2 - a managing contractor. Though some consulted stakeholders report that the issue was eventually resolved, going forward, reporting lines would have to be very clearly defined and agreed upon by all parties to mitigate similar challenges. And for the Infrastructure IPP technical advisors, this will be easily resolved if the infrastructure component is moved under TSSP3 (managed by the sub-contractor) but reporting lines are managed by DFAT at the AHC. (See chapter 3, KEQ 6).

KEQ 4: Are existing partnership activities consistent with TSSP and sector objectives, and broader Australian and PNG Government interests?

Most activities implemented through the transport sector partnership are aligned and consistent with sector agencies' objectives and priorities however, end of program outcomes for some ASAs are not clearly articulated and therefore hard to measure and assess the progress made so far. The activities implemented through the IPP and ASAs are carefully selected

through a planning and participatory process between the counterpart agencies - TSSP, DITRDC and DFAT. The Review found out that selected activities for funding in the ASAs must meet certain criteria outlined by DFAT, key being that the activities must be aligned to the agencies' corporate plans, be in line with GoPNG policies and that the procurement of the activities during implementation meets Commonwealth procurement rules. Activities implemented by agencies outside of these criteria are not reimbursed even if implemented. With this understanding, the Review notes a high level of alignment of activities and priorities to GoPNG policies and plans.

KEQ 5: Do existing partnership activities under the relevant programs have clearly defined outcomes, objectives, outputs? And is there appropriate means to measure and report on outcomes and outputs?

Most ASAs signed agreements that outline expected outcomes of the partnerships and what activities will be implemented to achieve the different outcomes, though there is variation across the ASAs on the articulation of the expected outcomes and how they will be measured. For instance, the ASAs between the Government of Australia and DoT, NMSA and DoW clearly state the expected outcomes of the partnerships with clear and specific activities for each of the outcomes, but the same cannot be said of the ASA with CASA PNG, which only states activities to be implemented but no expected outcomes. Even though most of the ASAs have expected outcomes, the Review did not find documentation or evidence that reports on the progress made towards the achievement of the expected outcomes pointing towards weak or absence of results measurement approaches. For the Infrastructure IPP, the Review found activities work plans and progress reports but no results reports pointing to similar challenges mentioned above for the ASAs.

This challenge of weak and poor results measurement approaches is not unique to the Partnership but is common across international development projects where resourcing of both Monitoring and Evaluation (M&E) human capacity and financial resources is not factored in during project design and implementation. With no results measurement approaches for the Partnership, it is therefore challenging for the Review team to assess outcomes achieved by the ASAs and the Infrastructure IPP beyond anecdotal evidence provided during the interviews.

However, there is scope in the future for the Partnership to go beyond articulated outcomes and embed within the ASAs results frameworks with baselines and targets to assess achievement of outcomes. This could be implemented through a broader and overarching Partnership program logic with accompanying results frameworks where different

ASAs can align and contribute to or embedding results frameworks within individual ASAs agreements.

2.2 Conclusions

The Partnership delivered under the MoU and implemented through the TSSP, IPP and ASAs is important, well received and is in some instances working well. At the same time, some of the noted challenges include a lack of common understanding of the overall Partnership, burdensome ASAs implementing and reporting obligations, lack of a long-term and sustainable capacity development approach and the ASAs reimbursable funding model.

Most ASAs have defined outcomes and objectives and the implemented activities are aligned to GoPNG development strategies and plans, and the Australian Government's objectives and interests. Results measurement approaches for the ASAs and the IPP remain weak, with opportunities to strengthen and embed results measurement approaches within the agreements.

2.3 Recommendations

Recommendation 1: That DFAT, DITRDC and GoPNG clearly articulate, communicate, and socialise the Partnership objectives beyond the senior levels of the GoPNG agencies. This is an opportunity to have a common shared understanding and appreciation of the partnerships across the sector, properly align initiatives, develop better and joint agreeable initiatives and position the Partnership as the foundation of Australia and GoPNG bilateral engagements within the transport sector.

Recommendation 2: That DFAT simplifies and streamlines ASAs by shifting to a Tasking Note implementation arrangement upon renewal of the current ASAs. This will support more agile and flexible implementation processes and provide room for revisions of activities as scope and context change.

Recommendation 3: That DFAT reduces the scope for progress reporting of the ASAs from quarterly reports to bi-annual reports to lessen the reporting burden on stretched GoPNG agencies and TSSP2. The 6-monthly reports should track implementation progress. By reducing some of the reporting requirements, agencies can focus on implementing their activities to minimise underspends.

Recommendation 4: That both DFAT and GoPNG agencies strengthen outcomes and results reporting frameworks to enhance measuring progress beyond activities implemented. Results frameworks and approaches could be embedded within individual ASAs / Tasking Notes or can be part of the overarching Partnership framework that measures different partnership arrangements between Australia and PNG as a whole. This is an opportunity to evidence

outcomes achieved and enhance the visibility of the gains made by the Partnerships.

Recommendation 5: For future capacity development efforts within the Partnership, the TSSP2 Capacity Development Framework provides a blueprint for engagement. An analysis of agency implementation status of the capacity development activities outlined in the Framework that needs further support is a good start on how to build and sustain capabilities within the transport sector in PNG.

Recommendation 6: That DFAT, DITRDC and GoPNG counterpart agencies further embed structures and mechanisms that facilitate good whole of agency relationships building and management. This could be enhanced through senior leadership commitment as well as clear articulation of the roles and responsibilities within the partnerships and a common vision of how the partnerships should work in practice.

Recommendation 7: The ASAs funding model is reviewed upon renewal to address the challenges associated with GoPNG transport agencies pre-financing activities with constrained budgets.

Chapter 3: Effective and Efficient Partnership

3.1 Key findings

KEQ 6: How can the transport partnership be made more efficient and effective with some elements transferred from the IPP to TSSP program?

The recommendation from the 2020 Review of the IPP to transfer the DITRDC Infrastructure advisors from the IPP to TSSP bilateral sector program by mid-2022 is welcome, though it was recommended that the reporting lines need to be well articulated.

Through the IPP, senior Australian personnel from DITRDC were seconded to DoT as Senior Policy Advisors. The 2020 review of the IPP recommended the transfer of IPP to sector programs. For the transport sector, the IPP advisors would need to be transferred to the TSSP which is the bilateral transport sector program between Australia and PNG. Since the advisor will be from DITRDC, it is envisaged that the position will report both to DITRDC and DFAT. In terms of program support, the advisor will work closely with TSSP2 managing contractor (GHD) and continue to offer transport infrastructure policy advice and support. Other than supporting the TSSP2 and coordinating Australian and GoPNG transport agencies in collaboration with DFAT, some stakeholders from DoT noted that the advisor should continue providing technical assistance and advice to the Secretary of DoT on a range of issues. A key area noted by the DoT that the advisor could provide technical assistance on is supporting the DoT's regional aspirations on enhancing transport regional coordination, collaboration and knowledge sharing in the Pacific.

KEQ 7: What suggestions would you make to improve the efficiency and effectiveness of current transport sector program activities?

Some interviewed stakeholders both from DFAT and the GoPNG noted that the technical support provided by advisors under the IPP and TSSP is only effective if provided on-site and in-country and not remotely.

COVID-19 travel restrictions have undermined partnerships and collaboration between agencies in the two countries and provide an opportunity to reshape what capacity building and technical support for the transport agencies looks like. With restricted travel, most work delivered through face-to-face interactions was replaced by remote mechanisms for collaboration and partnership. Even though this has remained challenging, they have brought to the fore the challenges of the fly-in-fly-out (FIFO) model and remote support.

Stakeholders consulted noted that relationships and outcomes in countries like PNG are based on interpersonal relationships and little can be achieved without having people on the ground. Though obtaining contractors on the ground can be expensive, the value they bring in the advisory roles is critical for building capacity and the achievement of outcomes. As the COVID-19 travel restrictions ease, efforts should be made by TSSP2, DITRDC advisors and the counterpart agencies in having advisors on the ground to support agencies in real-time which is what stakeholders in Australia and PNG want. Technical assistance remains a critical component of Australia-PNG Partnerships and should be sustained or scaled up.

3.2 Conclusions

In examining the extent to which the partnerships can be made more efficient and effective, the Review notes that the foundations of good partnerships are in place with room for improvement on clarity of mandate, clear governance and reporting arrangements and the value of in-country engagement.

COVID-19 has affected the provision of technical assistance providing opportunities to reshape the capacity strengthening support while acknowledging the value of in-country presence of the technical advisors.

The 2020 Review of the IPP recommendation that IPP ceases funding partnerships that do not make significant contribution to the COVID-19 Development Response Plan (CRP). For those partnerships that were deemed strategic and add value to the sector, the review recommended sector assessment of the strategic fit of the advisors and the functions and if important fund the positions through the bilateral sector program. This indicates that the DITRDC Infrastructure advisors from the IPP are recommended to be transferred to TSSP bilateral sector Program. If this does occur then clear funding and reporting lines

will need to be articulated as well as the role, function, and scope of the positions.

3.3 Recommendations

Recommendation 1. That DFAT and DITRDC should collaborate on defining and shaping the function and scope of the role of infrastructure advisors transferred from IPP to TSSP. It is envisaged that the position will report to both DFAT and DITRDC. The revision of the function and scope should be in consultation with DoT and TSSP2 to enhance clarity of mandates and better and informed collaboration. Overall, the advisor should retain their DITRDC scope of work but collaborate with DFAT under TSSP and support program implementation of TSSP2 through closer working relationships with GHD the managing contractor.

Recommendation 2: That DFAT and DITRDC in defining and shaping the scope and mandate of the IPP technical advisors moving to the bilateral sector program, TSSP, should explore other roles that the advisor could undertake beyond infrastructure policy advice in PNG. For instance, the advisor could be an intermediary between Australian and the GoPNG transport agencies and provide broader Australian transport agencies sector coordination under the Partnership. Also, they could lead the development of Australia-PNG transport sector strategy and provide technical assistance to the Secretary of DoT regional aspirations on enhancing transport coordination, collaboration and knowledge sharing in the Pacific.

Recommendation 3: As COVID-19 travel restrictions ease, DFAT, DITRDC and other Australian counterpart agencies should prioritise having advisors on the ground to support GoPNG agencies in-country to help ensure effective partnerships and progress in line with agreed outcomes and objectives.

Chapter 4: Priorities and future roles for the Partnership

4.1 Key priorities and options for future considerations

This section provides priorities and future options for consideration for the purpose of strengthening the Partnership. It reports on gaps and areas that were noted by stakeholders consulted as requiring support and consideration and details options recommended.

KEQ 8: What are the appropriate future roles for DFAT, DITRDC, other Australian and PNG transport agencies and other parties in supporting the Australia-PNG Transport partnership?

Stakeholders consulted in Australia and DFAT reported that there are opportunities to improve and strengthen the Australia-PNG Government Transport Partnership. Some of the proposed roles for the different agencies mentioned were:

- » **That Australia (via DFAT and DITRDC) through a consultative process with GoPNG develop a comprehensive strategy for Australian assistance to PNG's transport sector strategy.** TSSP2 and GoPNG transport sector agencies stakeholders noted a lack of a comprehensive Australian transport-sector partnership strategy. From their standpoint, it is challenging to articulate the objectives of the transport partnerships from Australia's side. The lack of a strategy was also noted as a reason for a lack of clear understanding of the overall objectives, strategic intentions, and common vision of the Australia-PNG Government Transport Partnerships (discussed under KEQ 2 on page 10). Though the Partnership is underpinned by the MoU, TSSP, AIFFP and the IPP, a Strategy that brings all these components together is due. The Strategy should articulate Australia's objectives for their investments in the transport sector, different support mechanisms across the different modes of transport and the balance between investments in physical assets, institutional support, and capacity development.
- » **Transport sector executive leadership capacities and capabilities remain a challenge though opportunities exist for TSSP3 to provide targeted long-term support of junior to senior management personnel.** The program should look at identifying junior management officials and supporting them to ascend to senior roles as well as coaching senior officials on management. This could be done through a targeted program for future leaders. Stakeholders consulted mostly from Australian Government agencies noted that the program should be bold and provide criteria and arrangements to fast-track junior staff development within the transport sector. Doing this will support skills transfer, build the confidence of junior to mid-level personnel and support better change management within the agencies.
- » **GoPNG further commits to a sustainable capacity development approach through funding and absorbing positions funded through TSSP2 and similar programs.** As discussed in Chapter 2 of this report, there is a lack of a long-term sustainable approach to capacity development within the transport sector in PNG. This challenge is compounded by a lack of concerted commitment by GoPNG agencies to build, fund and retain the capacities built so far. Future roles and the success of the partnerships will increase if DFAT's commitment to long-term capacity development

is matched by a commitment from the GoPNG side. An example of commitment from GoPNG can include funding some of the infrastructure related positions funded under TSSP2 as part of the national budget or absorbing some of TSSP2 funded positions into the line ministries.

- » **Annual bilateral transport sector Senior Officials Meetings should be continued to enhance bilateral cooperation.** This was noted by the consulted stakeholders at the Bureau of Meteorology (BOM) and echoed by other stakeholders in PNG. The meetings can be used to develop and review strategic plans, develop annual activities, and build relationships between the two countries.

KEQ 9: What priorities should be set for the partnership from 2022 having regard to available resources – are there transport areas and activities that should be given a higher or lower priority particularly with regard to the ongoing impacts of COVID-19?

- » **Transport sector support to PNG must be multi-modal as outlined in "Connect PNG", hence partnerships should prioritise further investments in the maritime sector which has received fewer financial resources compared to other transport sectors in PNG over time.** Most stakeholders consulted from both GoPNG and DFAT noted that support to the roads and aviation sector seems to have been a priority over time with fewer resources to the maritime sector, even though PNG has a high rural maritime population that needs transport connection to reap the economic benefits enjoyed by the more developed and connected urban areas. Through AIFFP, Australia has ramped up investments in PNG Ports which is positive (in January 2022, Australia and PNG signed agreements for \$580 million in upgrades and refurbishments to several priority ports in PNG)⁶ and provides the impetus for further investments towards an integrated transport system that connects roads, air and maritime.
- » **Transport sector investments should also prioritise the National Weather Service because it provides weather data and information important for aviation and maritime transport safety and security.** The National Weather service also provides important information to other sectors such as the Department of Environment and Conservation, Department of Agriculture and Livestock. Stakeholders consulted noted that the agency will benefit from technical support and improved technology in the provision of good

⁶ 'Papua New Guinea port upgrades to support trade and connectivity' (2022). Available at:

<https://www.pm.gov.au/media/papua-new-guinea-port-upgrades-support-trade-and-connectivity> (Accessed: 24 January 2022).

quality data. As more investments are made in the aviation sector and maritime, there will be a need for data that the National Weather Service as it is now, cannot provide.

- » **Transport security and safety remains a priority for PNG and DFAT should pursue options to engage the Department of Home Affairs and the DoT on enhancing transport security in PNG.** The DoT through its National Transport Development Plan acknowledges transport security and safety as a key priority for GoPNG. In Australia, the transport security mandate was moved from DITRDC to the Department of Home Affairs in 2017. Future priorities and support to DOT to support compliance with international codes for aviation and maritime security will need to be explored between DFAT, Department of Home Affairs and GoPNG DoT to find a workable mechanism of support through different capacity development approaches and funding of security infrastructure and operational programs.
- » **The ASAs between the ATSB and AIC should be prioritised and reinstated.** Though support and partnership between ATSB and AIC in PNG continues through TSSP and is facilitated by the MOU, the formal ASA is not currently in place. Stakeholders consulted in ATSB and AIC noted the value that the ASAs played in guiding coordinated support and collaboration and noted that a similar arrangement should be prioritised between the agencies and formally reinstated.
- » **GoPNG transport sector agencies capacity diagnostic assessment to identify skills gaps could be considered.** Before the different ASAs were developed in 2015, agencies capacity diagnostic assessment was conducted for agencies within the DoT. The Agency Capacity Diagnostic (ACD) provided an objective assessment of agency capacities to deliver mandated responsibilities and also provided a basis for agencies to seek support from development partners to address identified funding gaps. Stakeholders consulted from DoT noted that a review of the skills could be considered as ASAs are renewed and reinstated but also assess needed skills due to the impacts of COVID-19. The assessment should be conducted in tandem with the TSSP2 Capacity Development Framework identified activities to help ensure that the activities and areas of support provided meet the identified skills gap.

Chapter 5: Overall conclusions

The Partnership between Australia and PNG implemented through the MoU, IPP, ASAs and TSSP is highly regarded in the two countries. There is a high level of support for the Partnership to continue, subject to revisions and adaptations.

In examining the extent to which the Partnership worked in practice, the Review notes that the Partnership is highly regarded because of its good technical assistance support and the capacity strengthening elements from Australian agencies to their counterparts in PNG. The ability of the Australian agencies to listen and adapt to the changing needs, priorities, and contexts of the GoPNG agencies has improved over time and is appreciated in PNG.

The absence of an overarching Australian transport sector strategy for PNG is noted as a gap by GoPNG stakeholders. The lack of the strategy has limited communication and socialisation of the Partnership across transport sector agencies and the whole of GoPNG. Stakeholders consulted from GoPNG noted that a strategy that brings together elements of the MoU, IPP and TSSP will enhance communication and visibility of the Partnership in PNG.

Governance and implementing arrangements for some elements of the Partnership are noted as an area that can be improved. For instance, the ASAs' implementation and reporting requirements are seen as burdensome and excessively bureaucratic for the GoPNG agencies. The ASAs' reimbursable funding model was noted as a challenge to cash constrained GoPNG agencies.

There is consensus that COVID-19 travel restrictions have undermined the Partnership in-country technical assistance and collaborations between agencies in the two countries, while also providing an opportunity to reimagine capacity development strategies now and during peace times. GoPNG stakeholders noted that in-country presence is still required for the collaborations to be meaningful and to sustain the relationships built over time.

Stakeholders noted that future investments for the transport sector should prioritise investments in the maritime sector, support for the operationalisation of the aviation policy, the inclusion of National Weather Service, and should expand support for the transport safety and security.

Annex 1: Stakeholder Consultation List

Agency	Division / Area / Branch
Department of Infrastructure, Transport, Regional Development and Communications	Aviation Technology and Services Division
	Senior Policy Adviser to PNG - Department of Transport (IPP/MOU Program)
Australian Maritime Safety Authority	International Engagement and Standards
Civil Aviation Safety Authority	International Relations
Airservices Australia	International and Regulatory Engagement
	International Programs Specialist
Australian Transport Safety Bureau	Chief Operating Officer
	International Programs
Bureau of Meteorology	Program Sponsor
	Aviation, Land & Maritime Transport
	Transport Customer Engagement
DFAT	Infrastructure Advisor – PNG Branch
GHD/TSSP	Capacity Development
Australian High Commission Port Moresby	Minister Counsellor & Former Minister Counsellor
	First Secretary
	Program Manager
	High Commissioner
	Economic Program
Department of Transport	Civil Society cooperation
	Secretary
PNG Accident Investigation Commission	First Assistant Secretary – Monitoring, Reporting and Evaluation
	Chief Executive Officer
Civil Aviation Safety Authority	Operations Investigation
	Chief Executive Officer and Director
	Safety Regulation
	Learning & Development
	Information & Communication Technology
NiuSky Pacific Limited	Human Resources
	Chief Executive Officer
	Executive Support & Corporate Services
	Senior Business Development Officer
National Maritime Safety Authority	Engineering Services
	Chief Executive Officer
	Maritime Administration
	Maritime Operations
Department of Works & Implementation	Maritime Standards & Compliance (Agency Support Arrangement Lead)
	Secretary

Annex 2: Review Objectives and Methodology

Objectives of the Review

The purpose of the Review is to assess the partnerships within the transport sector in PNG in order to understand what partnerships are working and how they can be improved going into the future. Through the review, DFAT will strengthen the transport sector partnerships and provide appropriate support to the transport sector in PNG.

Key evaluation questions

The review was undertaken to include consideration of the following questions:

Objective 1: Assessing current partnership arrangements. To examine the different types of transport sector partnerships and provide evidence on what partnerships have worked well and the reasons why.

- » KEQ 1: What current areas of the partnership are working well?
- » KEQ 2: What current areas of the partnership can be improved?
- » KEQ 3: How can the transport partnership be made more efficient and effective with some elements transferred from the IPP to TSSP program?

Objective 2: Assessing current partnership program activities. To examine if the current partnerships are well resourced and how they can be better resourced into the future.

- » KEQ 4: Are existing arrangements and activities well supported and appropriately resourced by Australian and PNG agencies?
- » KEQ 5: Do existing partnership activities under the relevant programs have clearly defined outcomes, objectives, outputs?

Objective 3: Considerations for the future. This considers potential arrangements in which Australian and PNG transport agencies and other parties can appropriately support the transport partnership in areas they have the most impact.

- » KEQ 6: How can the transport partnership be made more efficient and effective with some elements transferred from the IPP to TSSP program?
- » KEQ 7: What are the appropriate future roles for DFAT, DITRDC, Australian and PNG transport agencies and other parties in supporting the Australian-PNG Transport partnership? a
- » KEQ 8: What priorities should be set for the partnership from 2022 having regard to available resources i.e., are there transport areas and activities that should be given a higher or lower priority particularly with regard to the ongoing impacts of COVID-19 and PNG’s broader economic recovery?
- » ?

Methods and approach

The Review adopted utilisation-focussed and mixed-methods approaches that combine qualitative and quantitative evaluation techniques and data collection methods where appropriate, available, and relevant, taking a sequential multi-phase approach.

The review process included the following:

Objectives	Methods and tools
1: Inception and scoping	<p>Developed a methodological design and analytical framework, identify data sources and data collection methods, and map out the diverse stakeholders to be interviewed</p> <ul style="list-style-type: none"> • Interviews with DFAT and other stakeholders to understand expectations and identify areas of interest for the review • Key document review • Stakeholder mapping and plan • Agree on review criteria

Objectives	Methods and tools	
2: Desktop review	Undertook a literature scan and presented a brief snapshot of the transport sector in PNG, as well as explored data gaps and where primary data collection should focus	<ul style="list-style-type: none"> Review DFAT’s strategic-related documentation, program documentation and activity reporting to conduct an initial analysis on TSSP2 and the Partnership has performed in line with the review objectives The Partnerships programme documentation literature scan
3: Key stakeholders’ interviews	Undertook primary data collection, and presented preliminary findings and considerations on what the TSSP and the Partnership should focus on moving forward	<ul style="list-style-type: none"> Interviews with DFAT stakeholders (in Australia and PNG) Interviews with the Managing Contractor and its sub-contractors Interviews with national and regional stakeholders Interviews / group discussions with beneficiaries
4: Analysis and drafting	Analysed and triangulated the different evidence sources and identify emerging themes along the review objectives	<ul style="list-style-type: none"> Triangulated findings from the desktop research, interim analysis and stakeholder interviews gathered during the initial phases Thematic analysis according to the review objectives
5: Reporting	Drafted the review reports and design brief, presenting the key findings, lessons learned and considerations for future efforts	<ul style="list-style-type: none"> Debriefed with DFAT to understand and address feedback Incorporated feedback from DFAT

The Review team acknowledges the high level of support and engagement from all individuals and institutions with which it interacted. The list of stakeholders consulted and engaged is attached in Annex 1.